

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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|--------------------------------------|---|--------------------------------|
| In Re: | § | Chapter 11 |
| | § | |
| W.R. GRACE & CO., et al., | § | Jointly Administered |
| | § | Case No. 01-01139 (JKF) |
| Debtors. | § | |
| | § | |

**FEE AUDITOR'S FINAL REPORT REGARDING
FEE APPLICATION OF BILZIN SUMBERG DUNN BAENA
PRICE & AXELROD LLP FOR THE TENTH INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Fee Application of Bilzin Sumberg Dunn Baena Price & Axelrod LLP for the Tenth Interim Period.

BACKGROUND

1. Bilzin Sumberg Dunn Baena Price & Axelrod LLP ("Bilzin") was retained as counsel to the Official Committee of Asbestos Property Damage Claimants. In the Application, Bilzin seeks approval of fees totaling \$58,764.50 and costs totaling \$5,645.82 for its services from July 1, 2003, through September 30, 2003.

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued January 30,

1996, (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served on Bilzin an initial report based on our review, and received a response from Bilzin, portions of which response are quoted herein.

DISCUSSION

3. In our initial report, we noted a lodging charge of \$494.64 on August 26, 2003, for which there is insufficient information. The entry is provided below.

| | | |
|----------|--|--------|
| 08/25/03 | Lodging Travel to Delaware - VENDOR:JAY M. SAKALO; INVOICE#: JMS - 8/26/03; DATE: 8/26/03 - Clients | 494.64 |
|----------|--|--------|

We asked Bilzin to provide further information regarding this charge, and Bilzin responded as follows:

The Report requests additional information regarding a lodging charge incurred by Jay Sakalo on August 25, 2003. Please note that Mr. Sakalo's lodging expenses were for a two-night stay on August 24th and August 25th and the room rate was \$229.00 nightly plus applicable taxes.

We appreciate the response and have no objection to this expense.

CONCLUSION

4. Thus, we recommend approval of fees totaling \$58,764.50 and costs totaling \$5,645.82 for Bilzin's services from July 1, 2003, through September 30, 2003.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

By: _____

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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 6th day of February, 2004.

_____
Warren H. Smith

SERVICE LIST

Notice Parties

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